

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 05967 021023Z

43

ACTION EB-07

INFO OCT-01 EUR-12 EA-06 ISO-00 COME-00 STR-04 TRSE-00

AID-05 CEA-01 CIAE-00 FRB-03 INR-07 NSAE-00 CIEP-01

SP-02 LAB-04 SIL-01 SAM-01 OMB-01 L-03 /059 W

----- 025287

R 020845Z JUL 75

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 9178

INFO ALL EC CAPITALS 843

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

LIMITED OFFICIAL USE EC BRUSSELS 05967

E.O. 11652: N/A

TAGS: ETRD, EEC

SUBJECT: EXPORT INFLATION INSURANCE MEASURES

REF: STATE 153299

1. SINCE RECEIVING REFTEL, WE HAVE DISCUSSED THE COMMISSION'S INTENTIONS WITH KLEIN, THE DIRECTOR RESPONSIBLE FOR EXPORT CREDIT MATTERS. KLEIN GIVES A SIMILAR PICTURE TO ABBOTT'S. HE SAYS THE VARIOUS INTERESTED PARTS OF THE COMMISSION STAFF HAVE AGREED ON THE LINE TO BE TAKEN. THEY WILL HOWEVER WAIT UNTIL AFTER THE SUMMER HOLIDAYS BEFORE SUBMITTING A FORMAL PROPOSAL TO THE COMMISSION. KLEIN SAID THAT THE ARGUMENTATION WOULD BE MORE ECONOMIC THAN LEGAL, BY WHICH HE SEEMED TO MEAN EMPHASIS ON THE INAPPROPRIATENESS OR LACK OF NECESSITY OF SUCH MEASURES. HE SAID THAT THE LEGAL PORTION OF THE CASE MIGHT BE STRENGTHENED BY A COURT OF JUSTICE DECISION WHICH WAS LIKELY WITHIN THE COURSE OF THE YEAR.

2. KLEIN, IN REFERRING TO THE LEGAL ASPECTS OF THE COMMISSION'S CASE, SPOKE OF ARTICLES 112 AND 113 OF
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 05967 021023Z

THE TREATY OF ROME. THESE IN FACT SEEM THE LIKELIEST

BASIS FOR COMMISSION ACTION. SOME MEMBERS OF THE COMMISSION STAFF EARLIER REFERRED TO ARTICLES 92 THROUGH 94. HOWEVER, THESE ARTICLES DEAL WITH STATE AIDS WHICH DISTORT COMPETITION WITHIN THE COMMON MARKET. SINCE THE INFLATION MEASURES SCHEMES IN QUESTION SEEM TO BE DIRECTED TO EXTERNAL TRADE, THE APPLICABILITY OF THESE ARTICLES HAS ALWAYS APPEARED DOUBTFUL, AND IT DOES NOT NOW SEEM THAT THE COMMISSION WILL RELY ON THEM.

3. WE HAVE SOME DOUBTS AS TO THE EFFECTIVENESS OF A COMMISSION ATTEMPT TO CRACK DOWN ON THESE SCHEMES. THREE OF THE FOUR MAJOR STATES WITHIN THE COMMUNITY ARE INVOLVED. THEREFORE, DESPITE WHAT SEEMS TO BE A CLEAR VIOLATION OF ARTICLE 112, IT MAY BE DIFFICULT FOR THE COMMISSION TO PERSUADE THE COUNCIL TO ENFORCE CONFORMITY TO THE TREATY.

4. IN ANY EVENT, RAPID ACTION IS RULED OUT BY THE COMMISSION STAFF ITSELF. WE SHALL, OF COURSE, SEEK TO DEVELOP FURTHER INFORMATION BOTH ON THE NATURE OF THE COMMISSION CASE AND ON THE CHANCES OF ITS BEING EFFECTIVE. GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORTS, INFLATION, EXPORT INSURANCE, CREDIT AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975ECBRU05967
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750229-0225
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750789/aaaadbib.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 153299
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 18 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 APR 2003 by SmithRJ>; APPROVED <22 SEP 2003 by izenbei0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXPORT INFLATION INSURANCE MEASURES
TAGS: ETRD, EFIN, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006